

**JUNE 9, 2010 MINUTES
SPECIAL WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER, 101 C STREET,
WHEATLAND, CA
6:00 – 8:10 p.m.**

COUNCIL MEMBERS PRESENT: D. Coe, E. Elphick, L. McIntosh, J. Pendergraph, R. West

OTHER OFFICIALS PRESENT: S. Wright, City Manager
R. Shanahan, City Attorney
R. Miller, Administrative Services Director
T. Raney, Community Development Director
M. McCrary, Police Chief

PLEDGE OF ALLEGIANCE:

Council member Jay Pendergraph led the pledge of allegiance.

PUBLIC COMMENT

William Harrison commented on sewer for Bishop's Pumpkin Farm.

Benjamin Bartholomew commented on flags at half staff and the possibility of a light on the flag pole at the Police Department.

Rick Sohrakoff commented on vandalism and trespassing on his property near the nature trail.

CONSENT CALENDAR

It was moved by council member J. Pendergraph, seconded by D. Coe to **approve *minutes from the regular meeting on May 11, 2010 and second reading of Ordinance No. 420 Making Clean-Up Changes to the Wheatland Municipal Code.** Vote called – AYES: All. Motion carried.

***E. Elphick abstained from the vote on the minutes from the regular meeting on May 11, 2010.**

PUBLIC HEARING

1) Tim Raney presented discussion of continuation of the March 9, 2010 public hearing considering the termination of the development agreements between the City and Lakemont Overland Crossing, LLC (Jones Ranch); Wheatland Heritage Oaks, LLC (Heritage Oaks East – Single Family Residential); and Trivest Land Co., Inc (Heritage Oaks East - Commercial/Multi-family). Raney explained that at the March 9, 2010 council meeting, the Wheatland City Council conducted a public hearing to consider the termination of the development agreements related to the Jones Ranch and Heritage Oaks East projects and voted to continue the hearing to the June 8, 2010 city council meeting. The council granted the 90-day extension based on the request of the current property owners in order to allow them to work with city staff to correct the development agreement deficiencies. The ownership entities for both Jones Ranch and Heritage Oaks East have changed over the past year. Jones Ranch was previously controlled by Lakemont Overland Crossing, LLC; however, the property is now owned by the Royal Bank of Canada. Heritage Oaks East was previously controlled by the Wheatland Heritage Oaks, LLC (which consisted of Woodside Homes and Premier Homes); however, the residential portion of the property has been transferred to a trustee of US Bank. The ownership of

the commercial and multi-family residential portion of Heritage Oaks East has been returned to Trivest Land Co. Over the course of the past 90 days, city staff has met on several occasions with the new representatives of each of the properties. Staff believes that substantial progress has been achieved with each of the new ownership entities and good faith efforts have been made in order to correct the deficiencies of the development agreements. These efforts have included the payment of some or all of the outstanding monies owed to the city. However, the final agreements have not been completed at this time and will require additional 30-days to complete. Therefore, staff is recommending that the council continue the public hearing to July 13, 2010.

D. Coe stated he is concerned that the City will incur additional expenses to continue this matter. T. Raney assured that all costs are billed to these projects and will not be paid by the City.

It was moved by council member J. Pendergraph, seconded by R. West to **grant an additional 30-day continuation of the public hearing to terminate the development agreements between the City and Lakemont Overland Crossing, LLC (Jones Ranch); (2) Wheatland Heritage Oaks, LLC (Heritage Oaks East – Single Family Residential); and (3) Trivest Land Co., Inc (Heritage Oaks East - Commercial/Multi-family) to a date and time certain of the regular City Council Meeting on July 13, 2010, 6:00 p.m., 101 C Street, Wheatland, Ca.** Vote called – AYES: Pendergraph, West, Elphick and West. NOES: McIntosh. Motion carried.

REGULAR CALENDAR

1) S. Wright presented discussion of the election consolidation and proposed sales tax measure. Wright explained that every municipal election year the Council adopts a resolution that requests the County to consolidate our election with the statewide election process in order to reduce costs. In addition, this year the resolution includes a request to add a local measure to establish a one-half cent general purpose sales tax on the Wheatland ballot. Wheatland has not been immune from the economic crisis that has impacted the rest of the region and the State. Over the last two years revenues have dropped, the State has confiscated local dollars and most importantly, property valuations have plummeted. Property tax revenues (the City's largest single income source) in 2008/09 totaled \$352,200. Next year they are projected to be only \$190,000. The Council and the City employees have reacted to these reductions by making reductions of their own. The City has "downsized" reducing the employee workforce, eliminating or reducing non-essential activities, and employees have had wages frozen, benefits reduced and furloughs introduced to the extent that now service reductions to local citizens can be felt. In the coming year an additional 10% reduction (to the \$190,000 level) is projected in property valuations and all other revenue sources remain flat. The State is again facing a multi-billion dollar budget deficit and will again be looking to local government revenue sources to bolster its coffers. For Wheatland, to make matters worse, the primary use of general fund revenues goes for law enforcement. The only park maintenance worker position that is funded through the general fund remains vacant. Of our 7 authorized police officer positions, one remains vacant and police officer furloughs have been implemented. Further reductions in general fund revenues mean further reductions in the police department. Citizen services and officer safety issues abound if additional reductions occur. Statewide criticism of cities providing excessive PERS retirement benefits for public employees does not exist in Wheatland. This City has never been in the financial position to afford PERS so that benefit is not available to our employees. The proposed ballot measure would add an additional ½ cent sales tax to local taxable purchases. The City currently receives 1 cent of the current total 8.25 cents. That 1 cent generates approximately \$100,000 locally, so an additional ½ cent sales tax would generate approximately \$50,000. This increase does not overcome the significant reduction in general fund revenues seen through the property value reductions, but at this point it would allow the City to "stop the bleeding" through a further reduction of services. Sales taxes are imposed on all persons who

purchase goods in Wheatland. Those traveling through the City who may stop at our local gas stations, restaurants or other businesses also pay the tax so it is not just local citizens who would have to carry the burden. The City has looked at other possible revenue sources such as a Utility Users Tax (a tax on water and sewer bills) and a direct parcel charge, but both of those place the charge directly on utility users or property owners and do not spread the burden like a sales tax does. The proposed measure includes a 10 year “sunset” clause. Many cities have found it important to include such a clause in order to give voters a comfort level that they will be able to reevaluate how their city has managed those funds over the preceding term. Staff has seen both shorter (5 year) and longer (20 year) terms. In this instance the Council would not be imposing the tax on the community, but instead would be leaving the decision up to the voters to decide. Action on the resolution as written would place the matter on the November ballot. Further more drastic cuts in services could be deferred until that time. Before the election the Council would be presented with the actual ordinance imposing the added sales tax. The ordinance would be conditionally adopted so that should the voters approve the measure it would be able to be implemented quickly through the State Board of Equalization.

It was moved by council member J. Pendergraph, seconded by D. Coe to approve **Resolution No. 09-10 Requesting Consolidation of City Election and Include Local One-Half Cent Sales Tax Measure for Wheatland with November 2, 2010 Statewide Election.** Vote called – AYES: All. Motion carried.

2) S. Wright presented discussion of the Bishop Tax Sharing Agreement. Wright explained that earlier this year the Council provided some direction to staff related to possible terms in a proposed tax sharing agreement with Yuba County related to the planned annexation of Bishop’s Pumpkin Farm. Staff has continued to meet with County representatives and the attached letter from County CAO Robert Bendorf outlines the currently agreed upon principals that could go into a final tax sharing agreement. These principals basically follow the terms of an existing tax sharing agreement for properties that surround the Bishop lands. There will be no requirement for the City’s annexation of the two “island” properties that was discussed at the previous meeting. Should the Council concur with the principals, then staff will work with the County to draft the final agreement that will be presented concurrently to the Council and Board for final approval.

It was moved by council member R. West, seconded by J. Pendergraph to **concur with the draft tax sharing agreement terms outlined in the letter from the County COA Robert Bendorf.** Vote called – AYES: All. Motion carried.

3) S. Wright presented discussion of the Habitat Conservation Plan MOU and Agreement for Funding. Wright explained that when development projects occur, part of the environmental process includes the need to evaluate the potential impact on endangered species as well as the possible mitigation measures necessary related to those impacts. If an HCP is not in place, then each individual development must prepare these analyses. Such multiple analyses can become both individually cumbersome as well as potentially lacking in coordination with one another. They can also become expensive. If Wheatland becomes a participating member in the Yuba/Sutter HCP, then future development in Wheatland will be able to pay fees into the HCP to cover the costs of biological mitigation. Yuba County and Sutter County have launched an effort to jointly develop a single HCP covering the entire unincorporated area. Such an effort includes strong cooperation and coordination with the US Fish and Wildlife Service as well as the State of California Fish and Game Department. The counties have invited the individual cities to join into this planning process. To date Yuba City has agreed to participate. The attached MOU with Yuba County provides for Wheatland’s participation as well as the sharing of costs related to the planning process. Since such a project is costly, staff has approached representatives from the Johnson Rancho project to see if they would have an interest in

funding the City's portion of these costs. These project costs will potentially offset environmental studies that they would otherwise need to incur so they have agreed to incur up to \$60,000 over two years in order to make this HCP project a reality.

It was moved by council member J. Pendergraph, seconded by D. Coe to **authorize the City Manager to execute the MOU between the City and Yuba County regarding the sharing of costs for the development of the Yuba-Sutter regional HCP/NCCP; and also execute the funding agreement for HCP/NCCP costs with Gibson Ranch, LLC.** Vote called – AYES: All. Motion carried.

4) S. Wright presented discussion of the RD2103 Assessment Ballot. Wright explained that RD 2103 has completed its efforts to reconstruct the Bear River levee to 200 year protection levels and is working towards obtaining FEMA accreditation for those protection efforts. In order to obtain this certification the RD must show that they have the financial capacity to annually maintain the improvements that have been installed. To do that, they have initiated an assessment district proceeding to establish the necessary funding capability. Each property owner, including governmental agencies, has the right to vote in these proceedings. The City owns 7 parcels that will be affected by these improvements. The City owned parcels run from small (sewer lift stations) to large (C Street park); and maximum annual assessments range from \$2.00 per year to \$6,647.02. The RD has established a formula to set these rates that includes parcel size, improvements and location (depth of flooding). The total potential annual assessment impact on the City would be \$8,021.54. This is a maximum amount that would be subject to annual CPI type adjustments. The RD plans to phase in these charges over about 5 years with no fees in the coming year. The proposed amounts are also maximums and the RD plans to charge only anticipated actual costs below this maximum in any given year.

It was moved by council member R. West, seconded by D. Coe to **authorize the City Manager to cast votes in support of the RD 2103 Assessment Election for properties owned by the City.** Vote called – AYES: All. Motion carried.

REPORTS

L. McIntosh reported that the LAFCO board approved an increased budget.

CLOSED SESSION

No reportable action.

ADJOURN

There being no further business, Mayor Elphick adjourned the meeting 8:10 p.m.

Minutes approve and adopted this 22nd day of June, 2010.

Enita Elphick, *Mayor*

Lisa J. Thomason, *City Clerk*